



Viva Energy REIT Corporate Governance Statement

Dated 13 April 2017

Overview of Corporate Structure

Viva Energy REIT (VVR) is a stapled entity comprising one share in Viva Energy REIT Limited (ABN 35 612 986 517) (Company) and one unit in the Viva Energy REIT Trust (ARSN 613 146 464) (Trust). VER Limited (VER) (AFSL483795 ACN 609 868 000) is the responsible entity (RE) of Viva Energy REIT Trust (Trust).

The Company and VER have separate boards of directors however the Company and VER undertake a coordinated approach to the corporate governance of VVR including an integrated corporate governance framework. Unless otherwise stated, references to Board in this document is a reference to the Board of the Company and Board of the VER. References to 2016 Annual Report are references to VVR's Annual Report for the part-year to 31 December 2016 and is available at www.vivaenergyreit.com.au.

This corporate governance statement (Statement) sets out the extent to which VVR followed the Corporate Governance Principles and Recommendations (3rd edition) set by ASX Corporate Governance Council (Recommendations) during the part-year from 3 August 2016 (date of initial listing on ASX) to 31 December 2016. The Board considers that VVR is substantially compliant with the Recommendations.

This Statement has been approved by the Board as at 13 April 2017 and details of VVR's compliance with the Recommendations are set out below.

1 Lay solid foundations for management and oversight

Recommendation 1.1

VVR and VER have adopted a Board Charter (Charter) which provides the framework for the operation of the Board and sets out the functions and responsibilities of the Board, those matters expressly reserved to the Board and those matters that are delegated to management. A copy of the Charter is available on the VVR website at <https://www.vivaenergyreit.com.au/Investors/?page=corporate-governance>.

The Board Charter provides that the Board will monitor and evaluate the performance of VER Manager Pty Limited (Manager) based on its obligations under a contractual agreement between the Manager and VVR (Management Agreement) including any members of the Manager's executive management team, the Company and the Responsible Entity who may be appointed from time to time.

In particular, clauses 3 & 4 of the Charter detail:

- the functions and responsibilities of the Board;
- the services and responsibilities of the Manager; and
- matters that the Board reserves for itself but do not limit the Board's overall duties and responsibilities.

The Board may delegate consideration of matters to a committee of the Board specifically constituted for a purpose determined by the Board.

Recommendation 1.2

When considering new directors for the Board, the Board:

- assesses nominations of new directors against a range of criteria including the candidate's background, experience, gender, professional skills, personal qualities and whether their skills and experience will complement the existing Board;
- will identify candidates with appropriate skills, experience, expertise and diversity in order to discharge its mandate effectively and to maintain the necessary mix of expertise on the Board, with guidance from external consultants, where necessary; and
- will undertake appropriate checks in respect of each candidate.

The names of candidates submitted for election or re-election as directors of the Company board at a shareholder meeting will be outlined in the notice of meeting, including material information considered relevant by the Company board to enable Securityholders to make a decision on whether or not to elect or re-elect a director. Further information on the steps undertaken by the Board when considering new directors for the Board are contained at clause 7 of the Board Charter.

Recommendation 1.3

Directors appointed to the Board will be provided with a formal letter of appointment setting out the terms and conditions of the appointment.

Recommendation 1.4

The Company Secretary of VVR and VER is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board as set out in the Charter. The Company Secretary supports the effectiveness of the Board by monitoring and reporting compliance with policies and procedures.

Recommendation 1.5

The Board acknowledge the importance of diversity in contributing to growth, innovative thinking and overall success and are committed to fostering and maintaining an inclusive workplace that respects individuals. The Board has adopted a Diversity Policy which describes VVR's approach to diversity. The Diversity Policy sets out VVR, VER and VER Manager's requirements for setting and achieving diversity objectives. The Diversity Policy is available on the VVR website at <https://www.vivaenergyreit.com.au/Investors/?page=corporate-governance>.

The Board has not established gender diversity objectives during the part-year ended 31 December 2016 but will do so within the period required by the Diversity Policy.

The current gender diversity of the various entities is outlined below:

Entity	Males	%	Females	%
Company Board	4	80%	1	20%
VER Board	3	75%	1	25%
VER Manager employees	3	50%	3	50%

The Board takes into consideration the requirements of its Diversity Policy when considering new appointments to the Board.

Recommendation 1.6

The performance of the Board, its committees and the individual directors is subject to regular review. The process for these reviews is available on the VVR website at <https://www.vivaenergyreit.com.au/Investors/?page=corporate-governance>.

The Board, its committees and individual directors were not subject to review during the part-year ended 31 December 2016 but the review will be undertaken within the period required by the Board Charter.

Recommendation 1.7

Senior management are employed by the Manager and the Board is responsible for reviewing the performance of the Manager under the Management Agreement.

The Board has not undertaken a formal review of the Manager during the part-year ended 31 December 2016 but will do so within the period required by the Management Agreement.

2 Structure of the board to add value

Recommendation 2.1

VVR does not have any employees and VVR is managed by the Manager. Accordingly, the Board considers that this Recommendation is not relevant to VVR's business and, as such, have chosen not to adopt a Nomination and Remuneration Committee at this time. The Board will, as a group, give due and regular consideration to all relevant remuneration and nomination matters.

The Board will address succession issues having regard to the Board Charter using the same process as outlined in the Board's response to recommendation 1.2. The Board considers that a nomination committee is not required given matters of succession and Board appointments are dealt with by the Board.

Recommendation 2.2

The Board has an extensive range of knowledge and skills with relevant experience as detailed in the skills matrix below:

Skill	VVR Board
Commercial property especially in service stations	Yes
Investment management	Yes
ASX listed stapled entities	Yes
Accounting and finance	Yes
Legal	Yes
Governance, compliance and regulation	Yes
Capital and debt raising	Yes
Corporate strategy	Yes
Commercial and material transactions	Yes
Risk management	Yes
Financial services	Yes
Managed investment schemes (listed and unlisted)	Yes

Recommendation 2.3

The independence of directors is assessed in a manner consistent with the principles detailed in the Recommendations. The Board consider Laurence Brindle (Chairman), Stephen Newton and Georgina Lynch to be independent directors of the Board having regard to its Board Charter. Details of the Board's independent directors can be found on pages 21 through 23 of the 2016 Annual Report.

Independent judgment is maintained by allowing directors to seek independent professional advice. Directors are also required to declare any conflict of interest prior to consideration of matters at the meetings of the Board.

Recommendation 2.4

The Board Charter requires that the majority of its Directors be independent and that the Chairman be an independent Director. Details of the Board's independent directors can be found on pages 21 through 23 of the 2016 Annual Report.

Recommendation 2.5

The Board Charter requires that the chair of the Board (Board Chair) will be elected by the Board but must be an independent, non-executive director. Details of the Board's independent directors can be found on pages 21 through 23 of the 2016 Annual Report.

Recommendation 2.6

Induction for newly appointed directors, senior management and employees is held as required. New directors will be given a comprehensive board pack which includes details of ARC, governance requirements and policies. Directors are expected to be adequately informed in respect of relevant industry and regulatory issues and changes. Directors are actively encouraged to raise any training

requirements with the Company Secretary as they consider necessary for their continued professional development.

3 Promote ethical and responsible decision making

Recommendation 3.1

VVR has a Code of Conduct which applies to directors of VVR, VER and employees of the Manager.

The Code of Conduct is made available to all those parties expected to adhere to it and is available on VVR website at <https://www.vivaenergyreit.com.au/Investors/?page=corporate-governance>.

4 Safeguard integrity in corporate reporting

Recommendation 4.1

The Audit and Risk Committee (ARC) is comprised of the all of the independent non-executive directors and one non-executive non-independent director of VVR. The ARC is chaired by an independent non-executive director. The scope of responsibilities delegated to the ARC is specified in the Audit and Risk Management Committee Charter, which is available on the VVR website at <https://www.vivaenergyreit.com.au/Investors/?page=corporate-governance>.

The composition of the ARC as at the date of this Statement is outlined below. The number of meetings held and attendance by directors during the reporting period is can be found on page 22 of the 2016 Annual Report which is available on the VVR website at <https://www.vivaenergyreit.com.au/Investors/?page=asx-announcements>.

Qualifications and experience of directors on the ARC can be found on pages 21 and 22 of the 2016 Annual Report.

Director	ARC
Laurence Brindle Independent, non-executive director	Member
Stephen Newton Independent, non-executive director	Chairman
Georgina Lynch Independent, non-executive director	Member
Lachlan Pfeiffer¹ Non-independent Non-executive, director	Member
Scott Wyatt Non-independent Non-executive, director	Not a member
Michael Bradburn² Non-independent Non-executive, director	Member

¹ Appointed to VVR board and ARC 28 March 2017

² Resigned from VVR board and ARC on 28 March 2017

Recommendation 4.2

VVR does not have a chief executive officer or a chief financial officer. However, clause 9(iv) of the ARC Charter provides that each person who performs a chief executive function or a chief financial officer function (each as defined in the Corporations Act) of the Manager is to provide to the Board declarations in accordance with section 295A of the Corporations Act. The Managing Director and Chief Financial Officer of the Manager provided such declarations to the Board in compliance with clause 9(iv) of the ARC Charter.

Prior to approving the VVR financial statements for the part-year to 31 December 2016, the Board received a declaration from the Managing Director and Chief Financial Officer of the Manager stating that, in their opinion, the financial records of VVR were properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of VVR and those opinions were formed on the basis of a sound system of risk management and effective internal controls.

Recommendation 4.3

The Board has organized for PricewaterhouseCoopers, VVR's auditor, to make themselves available at the AGM on 16 May 2017 to answer questions from Securityholders relevant to the audit of VVR's financial statements for the part-year ended 31 December 2016.

5 Make timely and balanced disclosure

Recommendation 5.1

VVR has a Continuous Disclosure Policy in place detailing its policies for complying with its continuous disclosure obligations under the ASX Listing Rules.

Details of VVR's Continuous Disclosure Policy can be found at <https://www.vivaenergyreit.com.au/Investors/?page=corporate-governance>.

6 Respecting the rights of security holders

Recommendation 6.1

Information about VVR can be found at www.vivaenergyreit.com.au

Information about VVR's key corporate governance documents can be found at <https://www.vivaenergyreit.com.au/Investors/?page=corporate-governance>.

Recommendation 6.2

VVR's Securityholder Communication Policy provides for an investor relations program which actively encourages two-way communication:

- through the AGM where Securityholder participation is actively encouraged and facilitated; and
- by providing Securityholder's with the option to receive email communications, and send email communications directly to us and to our securities registry.

Recommendation 6.3

VVR's Securityholder Communication Policy contains various policies and processes regarding participation at meetings of Securityholders and is available on the VVR website at <https://www.vivaenergyreit.com.au/Investors/?page=corporate-governance>.

Recommendation 6.4

VVR's Securityholder Communication Policy provides that Securityholders may subscribe to VVR's email database via its website at <https://www.vivaenergyreit.com.au/Subscription/?page=email-alerts>.

Securityholders should be aware that VVR may share their information with VVR's securities registry. Any information will be collected, used and disclosed according to relevant privacy laws and the Corporations Act.

7 Recognise and manage risk

Recommendation 7.1

VVR has a combined Audit and Risk Committee (ARC). VVR complies with this Recommendation using the same policies and procedures for risk and audit as it has detailed under its response to Recommendation 4.1.

Recommendation 7.2

The ARC Charter provides that the ARC is responsible for reviewing and monitoring Viva Energy REIT's risk management framework to provide assurance that major business risks are identified, consistently assessed and appropriately addressed.

The ARC has reviewed VVR's risk management framework for the part-year ended 31 December 2016.

Recommendation 7.3

VVR does not have an internal audit function however it considers risk management fundamental to maintaining efficient and effective operations and generating and protecting Securityholder value. Accordingly, the management and oversight of risk is an ongoing process integral to the management and corporate governance of VVR's business.

Clause 9 of the ARC Charter provides that responsibility for evaluating the effectiveness of risk management and internal control processes is shared across the Board, the Committee and the Manager. Clause 3(c) of the Board Charter similarly provides that the Board is responsible for overseeing the establishment of and approving VVR's risk management strategy, policies, procedures and systems.

Recommendation 7.4

Senior management prioritises material business risks and has developed appropriate mitigation strategies. As VVR is a landlord, not the operator of the businesses in the properties it owns, VVR has limited direct exposure to economic sustainability, environmental sustainability and social sustainability risks, apart from the normal risks of investment property ownership.

8 Remunerate fairly and responsibly

Recommendation 8.1

VVR does not have any employees as its operations are managed by the Manager. Accordingly, the Board considers that this Recommendation is not relevant to VVR's business and, as such, have chosen not to adopt a Nomination and Remuneration Committee at this time. The Board will, as a group, give due and regular consideration to all relevant remuneration and nomination matters.

Refer to the Board Charter and the comments made in response to Recommendation 1.2 for details of the processes VVR employs to address board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, time availability, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The processes VVR uses for setting remuneration and ensuring it is appropriate and not excessive are found in the constitution of the Trust and the constitution of the Company.

Recommendation 8.2

The fees and expenses which the Responsible Entity is permitted to receive out of the assets of the Trust are set out in section 12 of the VVR Product Disclosure Statement/Prospectus (PDS) dated 22 July 2016 which is available on the VVR's website at <https://www.vivaenergyreit.com.au/Investors/?page=document-library>.

The Board will, as a group, give due and regular consideration to all relevant remuneration and nomination matters.

Remuneration of VVR's directors are detailed on page 23 of the 2016 Annual Report and fees paid to the Manager are set out on page 44 of the 2016 Annual Report. Fees payable to directors of VVR and the Manager are paid out of the assets of the Trust as outlined in the PDS.

VVR does not have employees as it is managed by the Manager. Senior management and employees of the Manager are subject to annual performance reviews. The annual performance reviews are based on achievement of key performance indicators for VVR that are pre agreed between senior management/employees and Viva Energy Australia Pty Ltd.

Recommendation 8.3

VVR does not have an equity-based remuneration scheme because it has no employees. VVR Manager also does not have an equity-based remuneration scheme for its employees.

Senior management and employees of the Manager are subject to annual performance reviews. The annual performance reviews are based on achievement of key performance indicators for VVR that are pre agreed between senior management/employees and Viva Energy Australia Pty Ltd.

For further information please contact:

Margaret Kennedy

Managing Director

Viva Energy REIT

T +613 8823 4428

E margaret.kennedy@vivaenergy.com.au

Samantha Rist

Investor Relations

Viva Energy REIT

T +613 8823 4863

E samantha.rist@vivaenergy.com.au